

ASSEMBLY BILL

No. 1506

**Introduced by Committee on Labor and Employment
(Assembly Members Roger Hernández (Chair), Chu, Low,
McCarty, and Thurmond)**

March 4, 2015

An act to amend Section 203.1 of the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1506, as introduced, Committee on Labor and Employment. Wages: theatrical employees.

Existing law authorizes specified employees working in the entertainment industry and their employers to enter into a collective bargaining agreement to establish a time limit for payment of wages after an employee is discharged or laid off.

Existing law imposes a civil penalty on an employer who pays an employee by a check, draft, or voucher that is refused payment because it is drawn on a nonexistent account or on an account that has insufficient funds, as specified.

This bill would apply the civil penalty provision for payment of employee wages with insufficient funds to an employer who employs specified employees working in the entertainment industry.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 203.1 of the Labor Code is amended to
2 read:
3 203.1. If an employer pays an employee in the regular course
4 of employment or in accordance with Section 201, 201.3, 201.5,
5 201.7, 201.9, or 202 any wages or fringe benefits, or both, by
6 check, draft or voucher, which check, draft or voucher is
7 subsequently refused payment because the employer or maker has
8 no account with the bank, institution, or person on which the
9 instrument is drawn, or has insufficient funds in the account upon
10 which the instrument is drawn at the time of its presentation, so
11 long as the same is presented within 30 days of receipt by the
12 employee of the check, draft or voucher, those wages or fringe
13 benefits, or both, shall continue as a penalty from the due date
14 thereof at the same rate until paid or until an action therefor is
15 commenced. However, those wages and fringe benefits shall not
16 continue for more than 30 days and this penalty shall not apply if
17 the employer can establish to the satisfaction of the Labor
18 Commissioner or an appropriate court of law that the violation of
19 this section was unintentional. This penalty also shall not apply in
20 any case in which an employee recovers the service charge
21 authorized by Section 1719 of the Civil Code in an action brought
22 by the employee thereunder.

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